

<p style="text-align: center;">FY 2006-07 Title II Adult Education and Family Literacy Act Financial Information (rev. 11-14-05)</p>

Funds for these grants are provided to the Idaho State Department of Education/ Office of Adult Basic Education from the U.S. Department of Education (USDOE) under CFDA 84.002.A, Adult Education – State Grant Program.

This program is authorized by the Adult Education and Family Literacy Act (AEFLA), Title II of the Workforce Investment Act of 1998 (WIA). Regulations and guidelines governing the program are found in the AEFLA and codified in Title 34 of the Code of Federal Regulations (CFR).

Funds made available under this grant shall supplement and not supplant other state or local public funds expended for adult education and literacy activities. Federal funds may not result in a decrease in state or local funding that would have been available to conduct the activity had federal funds not been received. Federal funds may not free up state or local dollars for other purposes, but should create or augment programs to an extent not possible without federal dollars. AEFLA Sec 241.

Laws, Policies, and Regulations

Federal awards are to be used for authorized purposes in compliance with applicable current and future federal and state laws and regulations, and provision of the grant agreement. Applicable OMB Circulars: A-110 (Uniform Administrative Requirements), A-133 (Audits of States, Local Governments and Non-Profit Organizations), A-21 (Cost Principles for Education Institutions), and A-122 (Cost Principles for Non-Profit Institutions), and A-87 (Cost Principles for State and Local Governments).

Allowable Activities

Funds provided under the Idaho State Plan for Adult and Family Literacy are to be used for the following activities: (1) Adult Basic Education (ABE); (2) English as a Second Language (ESL); (3) EL/Civics; (4) Adult Secondary Education (ASE); (5) Family Literacy; (6) Workforce Development; (7) Corrections Education; and (8) Literacy. Activities authorized under this subgrant are as approved in your original grant application.

Fiscal Monitoring and Financial Records

The SDE/Office of Adult Basic Education may schedule monitoring visits during the grant period to evaluate the fiscal progress and performance of the program and provide technical assistance. Funds received under this grant must be maintained in a separate account. Financial management systems shall reflect accurate, current, and complete disclosure of financial results of each federally sponsored project. Grant recipients are to maintain books and records, supported by source documentation, which sufficiently and properly reflect the source of funds and all direct and indirect costs expended for Adult Basic Education program purposes.

Budget Revisions

SDE/ABE Office approval of a revised budget is required if there is a 10 percent or more variation in expenditure levels by budget categories. Final budget revisions must be submitted to the Office of Adult Basic Education.

Expenditure Reimbursement

Funds for this grant must be claimed on a reimbursement basis. Reimbursement requests shall be submitted quarterly using the *Federal Programs Cash Balance Report* form. The quarter ending will be specified on the report form. All charges must be reported for the current period. The final date to closeout and liquidate remaining funds for fiscal year 2006-07 is August 15, 2007.

Final Financial Status Report is due by September 30, 2007

Federal regulations under OMB Circular A-21 and A-122 require that employees whose salary is split between multiple accounts, one of which is a federal grant, must keep a daily log of work activity that displays the time worked chargeable to the grant or grants and the total time worked. These reports must be reviewed periodically to determine if the actual time conforms to the budgeted time. Any variances must be reflected by adjustments to the accounting records. Please note that employees who are split between budget categories (instruction and administration) must also have time and effort documentation. This applies even to those employees who are paid 100 percent from this grant.

Allowability of costs is determined by 34 CFR 74.27 and 80.22 based on OMB Circular A-21 (Cost Principles for Education Institutions), A-122 (Cost Principles for Non-Profit Organizations), or A-87 (Cost Principles for State and local Governments). Please note that the following costs are explicitly unallowed:

- Bad debt expenses
- Cost of construction or purchase of facilities or buildings
- Payment to any person for influencing, or attempting to influence, an officer or employee of any agency, member of Congress, an officer or employee of congress, or an employee of a member of Congress, in connection with the awarding of a federal contract, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement
- Sectarian worship, instruction, or proselytization
- Purchase of light refreshments

Administration Costs

Local administration cannot exceed 5% of the grant expenditures without prior approval From SDE/ABE Office. In cases where the administrative cost limit is too restrictive and would provide insufficient funds for the aforementioned non-instructional purposes, a grant applicant may submit a written request to the ABE Coordinator, Bureau of Certification/Professional Standards and Adult Services to negotiate a higher administrative funding level.

The following grants have a 5% administrative cap:

- Comprehensive
- EL/Civics (an approved increase to the 5% administration cap on EL/Civics Grant would have been approved in your original local EL/Civics grant application, which is on file with the local program director.)

Match

The term “match” refers to the annual amount of state and local funds that a local program must provide in order to receive federal adult education funds. The state and local programs are required to provide non-federal matching funds that are, at a minimum, equal to 25 percent of the total amount of funds expended on adult education and literacy activities. Examples of allowable matching or cost sharing include:

- Allowable costs incurred by the state or local programs under the grant agreement;
- Value of the third party in-kind contributions for the period to which the cost-sharing or matching requirements apply;
- Value of donated services provided to a local program by individuals at rates consistent with those ordinarily paid for similar work in the organization or by employees of other organizations; and
- Value of third-party donated supplies and loaned equipment or space.

Amounts may count against only one matching requirement. You will not be able to count costs or contributions that have been or will be counted toward the match for other federal grants or contracts. Only allowable expenditures can be used to match. The non-federal contribution may be provided in cash or in kind, fairly evaluated, and shall include only non-Federal funds that are used for adult education and literacy activities that are consistent with the purpose of the act. Tuition and fees collected from students may not go toward meeting federal matching, cost sharing, or maintenance of effort requirements related to this award. (34 CFR Part 80.24 and 76.534; AEFLA Sec. 222)

Maintenance of Effort

The term “maintenance of effort” or “MOE” refers to an amount of funds calculated by comparing state and local expenditures for adult education over time. MOE shows how well a state is doing in maintaining its commitment to provide resources for adult education from year to year, rather than relying exclusively on federal funds. A state may receive federal adult education funds if it maintains fiscal effort, including both state and local expenditures for adult education. Idaho must demonstrate to the federal government that the total statewide expenditure for basic skills programming is the same each year as in prior years. If SDE/Office of ABE were not able to demonstrate that the state of Idaho was maintaining the same fiscal effort as before, Idaho ABE would lose part of its federal AEFLA allocation. If that were to happen, the reduction in federal funds would be covered by reducing grant awards to local providers. MOE is reviewed by USDOE as well as by agency auditors and included in the OMB A-133 Compliance Supplement criteria. At fiscal year end, all grant recipients are required to complete a Final Financial Status Report that identifies all allowable non-federal resources and in-kind contributions used to support adult education activities. In addition, the form collects required Program Income information. (AEFLA Sec. 241)

Rights to Materials

Materials, which originate from WIA funds, shall be “works for hire” as defined by the U.S. Copyright Act of 1976 and shall be owned by the ISDE. Materials shall include, but are not limited to, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or use – and to authorize others to use for federal government purposes – the copyright on any work developed with federal adult education funds. (34 CFR 80.34)

Disclosure of Federal Funding in Public Announcements

When issuing statements, press releases, or other documents describing projects or programs funded in whole or in part with Federal money, all grant recipients shall clearly state: the dollar amount of the federal funds for the project; the percentage of the total cost of the project that will be financed with federal funds; and the percentage and dollar amount of the total costs of the project that will be financed by non-governmental sources. Recipients must comply with these conditions under Public Law 108-99 sec. 507.

Agreement Alterations, Amendments, and Termination

This grant award may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties. If, for any cause, either party does not fulfill its obligations in a timely and proper manner, or if either party violates any of the terms and conditions of the grant award, the offending party will be given the opportunity to correct the violation or failure. If failure or violation is not corrected, this grant award may be terminated immediately by written notice of the aggrieved party to the other. In the event funding for this grant is withdrawn, reduced or limited, or if additional or modified conditions are placed on such funding, the SDE may immediately terminate this grant award by providing written notice to the other party. The termination shall be effective on the date specified in the notice of termination.

Assurances and Certifications

All assurances and locally identified services from the original 2000 Idaho Adult Basic Education Title II AEFL and EL/Civics local eligible provider applications continue to apply to this grant period. In addition, federal law requires programs to submit an annual “Certifications Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier covered Transactions” (Form ED 80-0014).

Annual Compliance Reporting

Final fourth quarter payment and new year first quarter payment will be released when all prior year compliance reporting requirements have been received and approved by the SDE/Office of Adult Education.

- End of Year Grant Reports (June)
- Funding Continuation Applications and Budget (May)
- Data and Statistical Reports (August/September)
- Final Financial Reports (August)